

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

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| Illinois Commerce Commission On Its Own Motion |) | |
| |) | |
| Investigation Concerning Illinois Bell Telephone |) | Docket No. 01-0662 |
| Company's compliance with Section 271 of the |) | |
| Telecommunications Act of 1996 |) | |

REPLY OF SBC ILLINOIS

Illinois Bell Telephone Company (“SBC Illinois” or “the Company”), by its attorneys, hereby submits its Reply to the Responses of AT&T Communications of Illinois, Inc. (“AT&T”), CIMCO Communications, Inc., Forte Communications, Inc., and XO Illinois, Inc. (“CIMCO/Forte/XO”), WorldCom, Inc. (“WorldCom”), and the People of the State of Illinois (“AG”) to the “Motion to Hold Issuance of Final Order in Abeyance and Conditional Request for Further Hearings” (“Motion”) filed by McLeodUSA Telecommunications Services, Inc. (“McLeodUSA”).

1. The CLEC and governmental parties responding to McLeodUSA’s Motion generally support it. With no factual support, they claim that SB 885 will require the Commission to set UNE rates that are not TELRIC-compliant (CIMCO/Forte/XO Concurrence at 3) and/or that it will create a “price squeeze” (AT&T Response at 1; AG Response at 2-3; CIMCO/Forte/XO Concurrence at 3-4).

2. As explained in SBC Illinois’ Response to McLeodUSA’s Motion, any debate over whether the rates mandated by SB 885 are TELRIC-compliant is premature. As new Section 13-408 makes clear, the intent of the General Assembly is that the Commission implement TELRIC-compliant rates:

“The General Assembly finds and determines that it should provide direction to the Illinois Commerce Commission regarding the establishment of the monthly recurring rates that such incumbent local exchange carriers shall charge other telecommunications carriers for unbundled loops, whether provided on a standalone basis or in combination with other unbundled network elements, in order to ensure (i) that such rates are consistent with the requirements of the federal Telecommunications Act of 1996, the regulations promulgated thereunder, and subsection (g) of Section 13-801 of this Act, and (ii) that such incumbent local exchange carriers are able to recover the efficient, forward-looking costs of creating, operating, and maintaining the network outside plant infrastructure capacity and switching and transmission network capacity necessary to permit such incumbent local exchange carriers to meet in a timely and adequate fashion the obligations imposed by Section 8-101 of this Act.” (Emphasis added).

Similarly, Section 13-408(a) provides that the Commission shall employ fill factors that “. . . represent a reasonable projection of actual usage of the elements in question, in accordance with applicable federal law” (emphasis added). This Commission cannot and should not assume that the UNE loop rates resulting from SB 885 will be unlawful.

3. SBC Illinois also explained in its Response that the Federal Communications Commission (“FCC”) has established clear policies on the price squeeze issue raised by the CLECs and the AG. Notably, their price squeeze claims are based solely on rhetoric. In any event, this is an issue that can and should be presented to the FCC. Based on analyses presented in Docket No. 02-0864 (now abated), SBC Illinois anticipates no problem at the FCC in this regard. In short, none of the arguments raised by the CLECs or the AG in their responses change the fact that the Commission can and should adopt a final order in this proceeding.¹

¹ Remarkably, WorldCom suggests that the General Assembly’s passage of SB 885 somehow deprived it of its “due process” rights. (WorldCom Response at 5-6). The legislative process is, by definition, open to all interested parties. In turn, the Commission is a creature of statute and must implement that which the legislature requires. If WorldCom believes that the legislature’s actions were improper, that concern should be directed to the judiciary – not this Commission.

Respectfully submitted,

ILLINOIS BELL TELEPHONE COMPANY

One of Its Attorneys

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CERTIFICATE OF SERVICE

I, Louise Sunderland, an attorney, certify that a copy of the foregoing **REPLY OF SBC ILLINOIS** was filed with the Commission via e-docket and served upon all parties electronically on this 12th day of May, 2003.

Louise A. Sunderland

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